

ADAMS COUNTY HEALTH DISTRICT
Adams County, Washington
January 1, 1990 Through December 31, 1992

Schedule Of Findings

1. The Health District Should Integrate Grant Accounting Into Its General Accounting System

The health district has not integrated its grant accounting into the general accounting system provided by the county. All grants for the district are received and accounted for within the district fund. Accounting within this system identifies expenditures by department but not by grant.

OMC Circular A-102, "Common Rule" for *Uniform Administrative Requirements for Grant and Cooperative Agreements With State and Local Governments*, Subpart C. Section 20, (b)(2) Accounting Records, states in part:

Grantees and Subgrantees must maintain records which adequately identify the source and application of funds provided for financial-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income

OMB Circular A-128, *Audits of State and Local Governments*, paragraph 8.b(1) states in part:

In order to determine which major programs are to be tested for compliance, State and local governments shall identify in their accounts all Federal funds received and expended and the programs under which they were received

Adams County Health District accounts for transactions and prepares its financial statements on the basis of accounting prescribed by Washington State statutes and the *Budgeting, Accounting, and Reporting System* (BARS) manual as prescribed by the State Auditor. According to BARS, Part 3 , Chapter 5, Section A:

1. Grant accounting must be integrated with a municipality's general accounting records . . .
2. Grant accounting must provide for a segregation, by program/ activity/function within each grant, of the following . . .
 - d. Expenditures already disbursed . . .
 - f. Non-federal share of costs . . .

Because of lack of integrated grant accounting system, we could not trace all expenditures reported on the Schedule of Financial Assistance directly to the district's general accounting system.

We recommend the health district, through Adams County, integrate all grant accounting with its financial accounting system.